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DEPT PLS PASS TO USTR JCHOE-GROVES
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SUBJECT: YEAR 2006 SPECIAL 301 REVIEW: GREECE

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11. (U) Summary: There are continuing IPR problems in Greece. Enforcement remains problematic with law enforcement authorities understaffed and undertrained for IPR duties. A still larger obstacle is the judicial branch, which has been unwilling to impose penalties significant enough to provide a deterrent effect. Nevertheless, the relatively new government of Greece has shown itself committed to improving its efforts to fight piracy. It has significantly increased the funding and staff size of its IPR office, increased the number and effectiveness of its IPR raids, and begun the difficult project of expanding the awareness and appreciation of IPR issues inside of Greece. In light of these efforts, Post does not concur with industry submission to include Greece on the Special 301 list this cycle. While industry's comments are all well-taken, and should be seriously considered by the GoG, placing Greece on the Watch list this year would be counterproductive. End Summary.

Background and Current IP Climate

12. (U) Implementation and enforcement of laws regarding intellectual property problems have long plagued Greece, resulting in its inclusion on the Special 301 Watch List from 1994 to 2003. Enhanced GoG efforts, particularly against the broadcasting of pirated movies, led to Greece's removal from the Special 301 List in 2003. Protection of intellectual property rights in Greece is better than it was five years ago. Greek IPR legislation is adequate (although it is being updated and improved this year) and provides for heavy civil and criminal penalties against IPR violators. However, getting an IPR violator sanctioned, criminally or civilly, is still time-consuming and difficult as courts treat IPR violations as nuisance crimes and rarely impose punishments severe enough to act as a deterrent. Additionally, understanding of IPR issues among the population as a whole is low. Nevertheless, there are signs that violations, particularly in copyrighted audio-visual products, software and apparel and footwear, are once again on the rise, as detailed below.

Optical Media Piracy

13. According to the Greek office of the Motion Picture Association of America (MPAA), EPOE, television piracy has fallen from 70 percent of all broadcasts a decade ago to less than 2 percent today. However, the piracy rate for optical media remains between 10 to 20 percent of the market. The local representative of the International Federation of Phonographic Industries (IFPI) estimates that 1 in 3 CDs sold in Greece is pirated. The sight of immigrants selling copied CDs and DVDs on street corners and cafes in most major cities is commonplace. Prosecution of violators however is mild, as the illegal vendors, who are often disadvantaged immigrants, enjoy the sympathy of courts and the public. Greece is not believed to be a major producer of pirated optical media (although small scale reproduction here does occur), but is a participant in an increasingly regional copying and distribution network.

Software Piracy

14. According to BSA Hellas, 60 percent of programs currently circulating in the country are copies, compared to the EU average 35 percent. (Note: This estimate is likely inflated as it is derived from estimates regarding computer penetration which are probably high for Greece. End note.) Unlicensed sharing of a licensed copy among multiple computers is the largest problem for the software industry. Police and the tax police (YPPEE) are authorized to raid companies on illegal use of software. BSA has trained YPEE auditors on how to execute software audits, but YPEE is understaffed for the job.

Use/Procurement of Government Software

15. Although Post has never been provided with hard data, anti-piracy organizations claim that government offices

illegally share computer software. In response to the accusations, the Greek Ministry of Interior, Public Administration and Decentralization has issued a number of circulars giving instructions to the leadership of government and state organizations to check and make sure that all software in use in the public sector is legitimate. Significantly, the Minister of Economy signed a well-publicized deal with Microsoft in January to purchase software at a discount as well as to allow for certain programs to be used on both office and home computers for members of the Greek Government.

Apparel and Footwear Counterfeiting

16. Although Post has repeatedly made requests for information, no companies or organizations, nor the GoG, have been able or willing to provide hard data on apparel and footwear counterfeiting. U.S. companies have told Embassy officials that trademark violations appear to be on the increase, at least as regards Greece as a transit country to the Balkans. They also claim that Greece conducts the lowest rate of IPR raids, both at ports of entry and in the market place, of any EU15 country. For its part, the Greek Ministry of Development reported it conducted 60,000 inspections of commercial products in 2005, which included examinations for IPR violations. Greek customs service in Thessaloniki have confiscated over 65,000 thousand trademark violations (jackets, shoes, pants, wallets and handbags primarily) since October 2005. However, GoG authorities complain that a lack of IPR experts in their ranks capable of identifying counterfeit products hinders the effectiveness of their counter-piracy efforts.

TRIPS Compliance and IPR treaties

17. Greece is fully TRIPS compliant. Existing national legislation was bolstered with the ratification by parliament of the WIPO Copyright Treaty (WCT) and WIPO Performances and Phonograms Treaty (WPPT). Greece is in full compliance with EU IPR directives. Draft legislation to implement the EU Enforcement Directive has been prepared pending forwarding to Parliament.

Enforcement

18. Enforcement of IPR laws is adequate, but could be improved. The Greek police, as well as the Special Audits Service (YPEE, former SDOE, which does tax inspections), the Greek Customs and other enforcement agencies have conducted numerous raids, which resulted in the confiscation of thousands of CDs (762,365 in 1,418 raids in 2005), DVDs, counterfeited brands in apparel/shoes and other products of piracy. The key enforcement problem rests with the Greek courts, which continue to treat IPR violations as nuisance crimes and rarely hand out punishment severe enough to act as a deterrent, despite having the legislative authority to do so. Lack of formal training and low understanding of IPR issues, not only by judges but also among the population as a whole, have resulted in a reluctant pursuit of intellectual property cases, especially where the most commonly arrested violator is an immigrant selling a handful of pirated products out of a bag.

GoG Steps Up Efforts

19. The Ministry of Foreign Affairs organized an IPR conference last December, during which the GoG acknowledged that Greece has a problem with counterfeit goods and software sales, and that a failure to act will damage the international image of the country. Greek officials also acknowledged that the illegal activity of hundreds of street vendors who sell pirated CDs, counterfeit sunglasses and leather items robs the state of million of euros in tax revenue. Interestingly, the speakers at the conference referred to IPR violations for the first time as "theft" and identified the enforcement problems deriving from the lack of training of enforcement authorities and the weak GoG efforts to educate the public and to raise public awareness of the problem.

10. Greece's Intellectual Property Organization (OPI), which is responsible for drafting Greece's IPR laws, is currently updating Greece's copyright law (it dates back to 1993), as well as updating Greece's IPR laws to meet the latest EU directives. In a concrete sign of GoG's increased attention to IPR issues, it has increased OPI's budget nearly four-fold, as well as adding an additional 10 personnel to its staff (for a total of 14). OPI director Polyzogopoulos is now focused on the IPR problems in the Greek judiciary, and says he has obtained the concurrence of the Ministry of Justice to include a segment on IPR in the standard training for Greek judges. Polyzogopoulos also hopes to introduce short IPR-familiarization courses in high schools, alongside introductory computer education courses.

Comment

11. Post agrees with most of the proposals in IIPA,s 2006 report; they would all serve to strengthen IPR protection in Greece. However, post is not convinced that the IPR problems in Greece merit inclusion on the Special 301 Watch List. The current Greek Government, still only in its second year in power, has demonstrated its commitment to protecting intellectual property and fighting piracy. Moreover, it has shown increasing successes over the last 3-4 month, including focusing on the PR side of counter-piracy. In January Greek officials publicly bull-dozed over four tons of counterfeit CDs seized during 2005, getting excellent coverage in most major Greek papers. Placing Greece on the Special 301 list, just as two years of encouraging it to move more aggressively on this topic is starting to bear fruit, would be counterproductive. End Comment.

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